REMARKS/ARGUMENTS

Status of Claims

This Amendment is in response to the Office Action of November 7, 2007. By the present Amendment, claims 1-7, 9, 10, and 14 have been amended. No new matter is added by these amendments. No claims have been added or canceled. Therefore, claims 1-7 and 9-14 are present for examination. Applicant respectfully requests reconsideration of this application as amended.

Rejection Under 35 U.S.C. § 102, Sato

Claims 1-6 have been rejected under 35 U.S.C. § 102(b) as being anticipated by U.S. Publ. No. 2002/0106024 to Sato et al. ("**Sato**").

Claim 1 and similarly claim 2 have been amended to recite "a video stream supplying section configured to supply the first image signal at a bit rate to the picture selector to compensate for an amount of code of the pictures which are not extracted by the picture selector, *the bit rate of the first image signal being set higher than the decoding rate of the first decoder*." (emphasis provided). Accordingly, claimed embodiments of the invention recite that "the video stream supplying section" supplies the "first image signal" (e.g., I B B P B B P B B..., meaning I: I-pictures, B: B-pictures, and P: P-pictures) to the "picture selector" or the "interface section." The picture selector (or interface section) extracts the B-pictures and generates the "subset image signal" (e.g., I P P...), and the "first decoder" decodes this "subset image signal." The bit rate of the first image signal is set higher than the decoding rate of the first decoder. One benefit of this feature is that the signal processor is able to execute the transcoding process at a higher speed than that of a conventional processor.

Applicants submit that Sato simply discloses that during the transcoding process MPEG4 image compression information is input and MPEP4 information is output. The total code amounts (bit number) allocated to non-coded VOPs represented by 'R', an average quantization scale represented by 'Q', and global complexity measure represented by 'X' are used

to realize the "optimum code amount distribution" in "MPEG4 image encoding." (see Sato at paragraphs 0062-0065).

As a result, Sato fails to disclose either a processing speed or a bit rate, and also fails to disclose claim 1's "video stream supplying section." Specifically, Sato fails to teach or suggest "a video stream supplying section configured to supply the first image signal at a bit rate to the picture selector to compensate for an amount of code of the pictures which are not extracted by the picture selector, the bit rate of the first image signal being set higher than the decoding rate of the first decoder" as recited by claim 1. Therefore, Applicants submit that claims 1 and 2, as amended, as allowable over Sato. Accordingly, applicants respectfully request that this rejection be withdrawn.

Claims 3-6 are dependent claims that depend from one of claims 1 or 2. Therefore, for at least the same reasons that claims 1 and 2 are allowable, claims 3-6 are also allowable.

Rejection Under 35 U.S.C. § 103, Soto in view of Okada

Claims 7 and 9-14 have been rejected under 35 U.S.C. § 103(a) as being unpatentable over Sato in view of U.S. Publ. No. 2002/0181588 to Okada ("**Okada**").

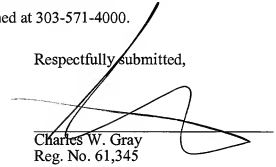
Claims 7 and 9-14 are dependent claims that depend from one of claims 1 or 2. Therefore, for at least the same reasons that claims 1 and 2 are allowable, claims 7 and 9-14 are also allowable. Accordingly, Applicants respectfully request that this rejection be withdrawn.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance and an action to that end is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,



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